

NON-CONTRIBUTING EMPLOYEE PAYROLL REPORTING INSTRUCTIONS

The implementation of 19-2-506(3) MCA requires employers to report all employees, regardless of retirement system membership, to MPERA. Employees who are not members of a retirement system will be referred to as non-contributing employees. Non contributing employees are defined as working retirees, optional members and other non contributing employees.

Working Retiree:

*Working retirees can be associated with a "rehire" employer in a specific retirement system. Working retirees are applicable to retirement systems **PERS, SRS, JRS and FURS**.*

Optional members:

Optional members are those members that file an optional member election form with MPERA or should file one. They are associated with a specific retirement system.

*Optional membership is applicable to retirement systems **PERS and FURS**.*

Other non contributing employees:

Other Non Contributing employees are employees that work in the state of Montana whose employer contracts with MPERA to administer one or more retirement systems for part of the employer's employees. The employees that are not associated with one of the employer's MPERA contracted retirement systems are "other" non contributing employees.

Please reference the specific retirement system in the employer handbook for additional requirements of working retirees, optional members and other non contributing employees.

Reporting:

To report a non contributing employee to MPERA, you must associate the employee with one of the retirement systems MPERA administers.

- For a working retiree, you should be able to associate the employee with PERS, JRS, SRS or FURS, the only retirement systems that allow for working retirees.
- For an optional member, you should be able to associate the employee with PERS or FURS, the only retirement systems that allow for optional members.
- FURS optional members are part-paid firefighters (and earn in excess of \$300 per year). An employee that is paid for providing firefighting services must be reported to FURS.
- For any other non contributing employees, ensure the following:
 1. that the employer has contracted with MPERA under PERS,
 2. that the employee cannot be associated with a retirement system,
 3. the employee should then be reported as non contributing under PERS and the PERS employer number.
- **If the employer does not have a contract with MPERA to join the PERS retirement system** and the employee cannot be associated with another retirement system as discussed above, the employee should not be reported to MPERA.

Payroll Report:

The payroll report must reflect the following for each non-contributing employee:

1. SSN – Employee's social security number.
2. Last Name – Employee's last name.
3. First Name – Employee's first name.
4. MI – Employee's middle initial.
5. Earnings – Gross salary, wages or compensation paid to the employee for the pay period. Include pay for regular, overtime, sick leave and annual leave used.

6. Hours – All hours for which the employee received pay, salary, or compensation. Include regular, overtime, sick leave and annual leave hours. You must report hours for all paid compensation.
7. Hourly Rate – Hourly rate of pay the employee receives.
8. Full/Part Time – Indicate whether the employee is full time or part time.
9. Date of Hire – The first day the employee reports to work with your agency.

Changes to the Payroll Edit Screen

The MPERA Web Reporting system has been modified to include non-contributing employees in the payroll reports submitted online. The following changes have been made to the Payroll Edit Screen to incorporate non-contributing employees.

1. The labels on three of the existing tabs have been modified as follows:

<u>Old Label</u>	<u>New Label</u>
Payroll Report	Members
Employee Error Messages	Member Errors
Payroll Summary Messages	Payroll Errors
2. Payroll Errors tab (formerly the Payroll Summary Messages) has been modified with a section listing all non-contributing employee error messages.
3. A new tab with the label “Non-Contributing Employees” has been added to the screen.

Non-Contributing Employees Tab

This tab contains two sections, the Non-Contributing Employees section and the Error Messages section.

Non-Contributing Employees section

This section allows you to view existing non-contributing employees, add new non-contributing employees, modify existing non-contributing employees and delete those who are no longer employed. The section contains the following items:

SSN/Last Name buttons

These buttons allow you to sort the list of employees by SSN or Last Name.

SSN field

Type the social security number of the employee you wish to add. This is a required field.

- The system will check to see if the SSN exists in the MPERA non contributing member database. If it does, the Last name, First name, Middle Initial and employee's hire date, if available, will be automatically populated for you. In addition, if the non contributing member is an MPERA active retiree, the Working Retiree checkbox will be marked.

Last Name field

Type the last name of the employee you wish to add. This is a required field.

First Name field

Type the first name of the employee you wish to add. This is a required field.

MI field

Type the middle initial of the employee you wish to add. This is an optional field.

Earnings field

Enter the amount of earnings paid to an employee for the report period. If the zero earnings indicator is checked, the earnings must equal zero. If the term indicator is checked, the field may equal zero.

Hours Worked field

Enter the number of hours for which the employee was paid. This field must be greater than zero unless the zero earnings indicator or term indicator is checked.

Hourly Rate field

Enter the hourly rate of pay the employee received. This field must be greater than zero unless the zero earnings indicator or term indicator is checked.

Part Time/Full Time dropdown

Select the option that is applicable to the employee for the report period. This is a required field

Hire Date field

Enter the date of the first day the employee reported to work for your agency. This is a required field.

Error Message section

This section displays error messages for each employee, if applicable, and is query only. When focus is placed on a record Non-Contributing Employees section, the errors for that record will be displayed in the Error Messages section. This section contains the following information:

Type field

This field identifies the error message type, i.e., informational, warning, critical.

SSN field

This is the social security number of the employee with errors.

Description field

This field describes the error.

SSN button

Click this button to sort the employees by SSN.

Last Name button

Click this button to sort the employees by Last Name.

Add Employee button

Click this button to add an employee.

Delete Employee button

Highlight the record to be deleted and click on the delete button.

Save button

Click this button the save changes you have made.

Validate Payroll button

Click this button to run the validation procedure. Once the validation is complete, the data on the tab will be refreshed to reflect the results of the validation.